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Sikkema opens door for greater healthcare benefits for Michigan's working families

Businesses given relief from onerous tax burden

LANSING – Small businesses in Michigan will see relief from one of the state's most onerous tax burdens, opening the door for greater healthcare benefits for working families, thanks to a deal brokered by Senate Majority Leader Ken Sikkema.

Senate Bills 672 and 673 will reduce the taxes paid by employers on healthcare benefits under the state's Single Business Tax by 20 percent in 2005 and an additional 20 percent in 2006. The Senate overwhelmingly approved the bills today, creating the 41st and 42nd tax cuts in the era of Republican-led tax relief.

"Taxing healthcare benefits under the SBT penalizes businesses who are trying to help their employees by providing coverage," said Sikkema (R-Wyoming). "This modest proposal will help our working families stay healthy, help our small businesses thrive, and help our economy prosper."

Sikkema led the charge to reach a reasonable and responsible compromise with the governor on addressing the state-budget deficit. Sikkema's plan to address healthcare concerns of employers and employees was part of the compromise. The \$15 million in savings for 2005 and 2006 can be used by businesses to invest in jobs and employees.

"This is a fair and responsible deal," Sikkema said. "People need us to get our work on the budget done so they can stop dealing with so many what-ifs. This deal gets our work done on the short-term problems without losing sight of the need to address long-term solutions for re-energizing Michigan's economy and getting people back to work."